UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF TENNESSEE
NASHVILLE DIVISION

IN RE:	)	**CHAPTER 11**
REO HOLDINGS, LLC,	)	**CASE NO. 16-03349**
DEBTOR.	)	**JUDGE MASHBURN**
EVA M. LEMEH, CHAPTER 11 TRUSTEE OF REO HOLDING, LLC,	)	
PLAINTIFF,	)	**ADVERSARY PROCEEDING**
v.	)	**NO. 16-90151**
EVANS REALTY MANAGEMENT, LLC, LIAM MILLS, EMILY GIRVIN, AND MICHAEL BEYER,	)	
DEFENDANTS.	)	

MOTION OF STAY ADVERSARY PROCEEDING

Comes now, Eva M. Lemeh, Chapter 11 Trustee of the Debtor (the "Trustee"), by and through counsel, and pursuant to 11 U.S.C. §105(a), respectfully requests the Court stay this Adversary Proceeding (the "Motion"). In support of her Motion, the Trustee asserts as follows:

BACKGROUND

1. On February 29, 2016 (the "Petition Date"), the Debtor commenced this case by filing a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Western District of Tennessee.

2. On May 6, 2016, the Debtor's case was transferred to the United States Bankruptcy Court for the Middle District of Tennessee (the "Court").

3. On June 8, 2016, the Family Trust Services LLC, Billy Gregory, Steven Reigle, Regal Homes Co., and John Sherrod moved for the United States Trustee to appoint a chapter 11 trustee to administer the Debtor's case (the "Trustee Motion").

4. On July 13, 2016, the Court granted the Trustee Motion.

5. On July 28, 2016, the United States Trustee moved to appoint Eva M. Lemeh as the Trustee (the "Appointment Motion").

6. On July 29, 2016, the Court entered an Order granting the Appointment Motion.

7. Charles E. Walker owns a 50% interest in the Debtor. Jon Paul Johnson owns the other 50% interest in the Debtor (collectively, Mr. Walker and Mr. Johnson are referred to as the "Equity Holders").

REQUESTED RELIEF

8. On April 28, 2017, the Court entered an Order granting the Trustee's Motion to Approve Settlement among the Trustee, John C. McLemore, the Chapter 11 Trustee of the Charles E. Walker Bankruptcy Estate, Family Trust Services, LLC, Steve Reigle, Regal Homes Company, Billy Gregory, John Sherrod, Charles E. Walker and Jon Paul Johnson (the "Global Settlement Order"). Following the entry of the Global Settlement Order, the Debtor's bankruptcy estate will very likely be solvent and provide a significant distribution to the Equity Holders. Due to this material change in circumstances, the Trustee's fiduciary duties now flow not only to the Debtor's creditors but also to the Equity Holders. The Equity Holders have stated that they wish to litigate this matter upon the Debtor's emergence from bankruptcy. The Trustee

anticipates filing a disclosure statement and plan of reorganization within the next month, which if approved, will allow the Debtor to emerge from bankruptcy.

9. The Trustee believes it is in the best interests of the Debtor's estate to stay this Adversary Proceeding to allow it to proceed in another forum, likely the Davidson County Chancery Court, following emergence of the Debtor from bankruptcy. Not only will a stay save administrative expenses from accruing during the bankruptcy case due to the litigation of the Adversary Proceeding, but it is uncertain whether this Court possesses the constitutional authority under Article III of the Constitution to enter a final judgment in this Adversary Proceeding, absent the consent of the parties. Such consent has not been attained.

WHEREFORE, the Trustee requests that the Court enter an Order staying this Adversary Proceeding, including a stay of all filing deadlines and cancellation of the Pre-Trial Conference scheduled for May 24, 2017, and grant such further relief that is just.

Respectfully submitted,

MANIER & HEROD, P.C.

/s/ Robert W. Miller

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Special Counsel for the Chapter 11 Trustee

CERTIFICATE OF SERVICE

I hereby certify that on May 1, 2017, a copy of the foregoing was sent via ECF to all parties registered to receive electronic notice in the case and via U.S. mail postage-prepaid to the following and the attached mailing matrix:

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/s/ Robert W. Miller
Robert W. Miller